United Nations A/70/86

General Assembly

Distr.: General
29 May 2015

Original: English

Seventieth session
Agenda item 134 of the preliminary list*
Proposed programme budget for the biennium 2016-2017

Internal oversight: proposed programme budget for the biennium 2016-2017

Report of the Independent Audit Advisory Committee

Summary

The present report reflects the comments, advice and recommendations of the Independent Audit Advisory Committee on the proposed programme budget for the Office of Internal Oversight Services for the biennium 2016-2017.

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I. Introduction

1. The Independent Audit Advisory Committee has undertaken a review of the proposed programme budget for the Office of Internal Oversight Services (OIOS) for the biennium 2016-2017 in accordance with paragraph 2 (c) and (d) of its terms of reference (see General Assembly resolution 61/275, annex). The Committee's responsibility in this respect is to review the budget proposal of OIOS, taking into account its workplan, and to make recommendations to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions. The present report contains the Committee's comments, advice and recommendations relating to the proposed programme budget for OIOS for the biennium 2016-2017, for the consideration of the Advisory Committee on Administrative and Budgetary Questions and the General Assembly.

2. The Programme Planning and Budget Division of the Department of Management provided the Committee with the section of the proposed programme budget for the biennium 2016-2017 on internal oversight (A/70/6 (Sect. 30)), as well as relevant supplementary information. OIOS provided supplementary information relating to its budget proposal, which the Committee took into consideration. At its thirtieth session, held from 27 to 29 April 2015, the Committee allocated a significant proportion of its agenda to discussions with OIOS and with the Controller on the budget for OIOS.

3. The Committee would like to acknowledge the efforts of the Programme Planning and Budget Division in expediting the preparation of the internal oversight section of the budget for review by the Committee. The Committee also appreciates the cooperation and responsiveness on the part of OIOS in providing information for the preparation of the present report.

II. Review of the proposed programme budget for the Office of Internal Oversight Services for the biennium 2016-2017

4. The projected resources for OIOS for the biennium 2016-2017 from the regular budget, combined with other assessed and extrabudgetary funds, totalled $126,906,300, compared with $122,657,100 for the biennium 2014-2015, which is an increase of 3.5 per cent. The Committee noted that while the total budget had increased overall, the extrabudgetary component had increased by a higher rate, of 8.8 per cent, from $20,109,500 for 2014-2015 to an estimated $21,869,300 for 2016-2017. This is largely owing to the proposed increase in funding from other United Nations organizations (3.8 per cent) and support for substantive activities (34.3 per cent) (see table 1 below).

Table 1
Financial resources by component
(Thousands of United States dollars)

Component	*2012-2013 expenditure*	*Percentage share*	*2014-2015 appropriation*	*Percentage share*	*2016-2017 estimate*	*Percentage share*	*Resource growth*	
							As a percentage of 2012-2013 expenditure	*As a percentage of 2014-2015 appropriation*
Regular budget	**38 501.6**	**35.9**	**40 632.1**	**33.1**	**42 520.0**	**33.5**	**10.4**	**4.6**
Other assessed	**52 397.9**	**48.9**	**61 915.5**	**50.5**	**62 517.0**	**49.3**	**19.3**	**1**
Services in support of:								
International Criminal Tribunal for Rwanda	467.3	0.4	401.9	0.3	–	–	(100)	(100)
International Tribunal for the Former Yugoslavia	498.0	0.5	715.3	0.6	715.3	0.6	43.6	–
Capital master plan	1 249.5	1.2	546.8	0.4	–	–	(100)	(100)
Peacekeeping operation activities	50 183.1	46.8	60 251.5	49.1	61 801.7	48.7	23.2	3
Extrabudgetary	**16 262.1**	**15.2**	**20 109.5**	**16.4**	**21 869.3**	**17.2**	**34.5**	**8.8**
United Nations organizations	13 202.6	12.3	16 184.6	13.2	16 805.7	13.2	27.3	3.8
Support to extrabudgetary substantive activities	2 317.1	2.2	3 316.0	2.7	4 454.7	3.5	92.3	34.3
Technical cooperation activities	742.4	0.7	608.9	0.5	608.9	0.5	(18)	–
Total	**107 161.6**	**100**	**122 657.1**	**100**	**126 906.3**	**100**	**18.4**	**3.5**

Note: Budget figures (after recosting) were based on the budget fascicle contained in A/70/6 (Sect. 30) and the relevant supplementary information.

5. As shown in table 1, the proposed programme budget for OIOS for the biennium 2016-2017 (regular budget) is estimated at $42,520,000 (after recosting), which is an increase of $1,887,900 or 4.6 per cent, compared with the 2014-2015 appropriation. While table 1 shows costs after recosting, the Committee's report generally uses values before recosting (which exclude estimated increases owing to inflation and currency fluctuations), in order to facilitate comparisons between the budgets for the bienniums 2014-2015 and 2016-2017.

6. Table 2 presents the regular budget proposal for OIOS for the biennium 2016-2017 compared with the actual expenditure for the biennium 2012-2013 and the appropriation for the biennium 2014-2015. The proposed programme budget for OIOS for the biennium 2016-2017 (regular budget) is estimated at $41,482,600 (before recosting), which is an increase of $850,500, or 2.1 per cent, compared with the appropriation for 2014-2015.

Table 2
Financial resources by programme
(Thousands of United States dollars)

	2012-2013	2014-2015	2016-2017	Variance		2016-2017 compared to 2012-2013 expenditure
				2016-2017 compared to 2014-2015 appropriation		
	Expenditure	Appropriation	Proposed budget (before recosting)	Amount	Percentage	Percentage
A. Executive direction and management	2 783.1	3 213.6	3 038.5	(175.1)	(5.4)	9.2
B. Programme of work	33 117.7	34 747.9	35 903.7	1 155.8	3.3	8.4
Subprogramme 1. Internal audit	15 290.7	15 508.8	17 240.8	1 732.0	11.2	12.8
Subprogramme 2. Inspection and evaluation	7 733.4	8 063.3	7 794.9	(268.4)	(3.3)	0.8
Subprogramme 3. Investigations	10 093.6	11 175.8	10 868.0	(307.8)	(2.8)	7.7
C. Programme support costs	2 600.8	2 670.6	2 540.4	(130.2)	(4.9)	(2.3)
Total	**38 501.6**	**40 632.1**	**41 482.6**	**850.5**	**2.1**	**7.7**

Note: Budget figures (before recosting) were based on the budget fascicle A/70/6 (Sect. 30) and the relevant supplementary information.

7. The 2.1 per cent increase in the budget compared with the biennium 2014-2015 is primarily as a result of a proposal to transfer the resident auditor functions for the United Nations Assistance Mission in Afghanistan (UNAMA) and the United Nations Assistance Mission for Iraq (UNAMI) to the Internal Audit Division of OIOS. The rest of the programmes saw a reduction in the resource requirements for the biennium 2016-17 attributable to, inter alia, the abolition of two posts, from 118 posts approved in the biennium 2014-2015, to 116 proposed posts for the biennium 2016-2017.

8. The Committee also noted that, as at 30 April 2015, there continued to be a high vacancy rate in OIOS, especially in the Investigation Division, where the vacancy rate was 25.3 per cent. The Committee was informed that the vacancy levels in that Division had declined from a high of 33.9 per cent, reported in paragraph 56 of the Committee's report on its activities for the period from 1 August 2013 to 31 July 2014 (see A/69/304) to the current 25.3 per cent. **The Committee notes the effort that OIOS has been putting into the recruitment process. However, the Committee continues to draw attention to its prior reports on this matter and reiterates that particular attention should be made to address the vacancy rates, through identifying alternative recruitment and retention strategies for qualified staff.**

A. Executive direction and management

9. The proposed number of posts in the Office of the Under-Secretary-General for Internal Oversight Services for the biennium 2016-2017 remains unchanged, at eight. The 5.4 per cent decrease in the proposed resources was mainly attributable to a 65.8 per cent reduction under contractual services, from $239,000 in 2014-2015 to $81,700 in 2016-2017, as a result of the removal of non-recurrent costs for acquisition of the system for audit management and web-based recommendation tracking.

10. With respect to the web-based system for tracking OIOS recommendations, the Committee recalled paragraph 25 of General Assembly resolution 65/270, in which the Assembly requested the Secretary-General to invite the oversight bodies to explore the possibility of utilizing the web-based system of the Joint Inspection Unit to enhance coordination. In paragraph 10 of its report on the proposed programme budget for 2014-2015 (see A/68/86 and Corr.1), the Committee was informed that OIOS would review all the systems available, including the one used by the Joint Inspection Unit, to determine which system would best fit the needs of OIOS. Accordingly, the Committee recommended that OIOS should continue to enhance the coordination among oversight bodies, as called for in Assembly resolution 65/270, as well as to ensure that the needs of stakeholders, including the client offices/departments, continue to be considered in this regard.

11. Upon further enquiry, OIOS informed the Committee that they had reviewed and considered the Joint Inspection Unit system prior to initiating a procurement exercise, in accordance with the provisions of General Assembly resolution 65/270. However, because the Joint Inspection Unit system was designed as a stand-alone follow-up system for recommendation, which according to OIOS, is just a part of what it requires from a tracking system, OIOS felt that it would benefit more from a system that integrated its recommendation follow-up with its audit management process. OIOS believes this will result in a seamless process for audit engagement from start to finish. **The Committee welcomes the progress made by OIOS in implementing the web-based tracking and audit management system and plans to follow up on its effectiveness in future sessions.**

B. Programme of work

Subprogramme 1
Internal audit

12. The proposed programme budget for subprogramme 1, Internal audit, for the biennium 2016-2017, is $17,240,800 (before recosting). The amount represents an increase of $1,732,000, or 11.2 per cent, compared with the appropriation of $15,508,800 for the biennium 2014-2015. Upon enquiry, the Committee was informed that the increase was mainly attributable to an increase in other staff costs from $116,000 in 2014-2015 to $1,903,000 for 2016-2017, primarily as a result of the transfer of resident auditor functions from UNAMA and UNAMI to OIOS. The Committee notes that the number of posts required for internal audit has remained unchanged, at 46. The Committee was further informed that, apart from the increase in the other staff costs noted above, most of the other budget categories for internal audit registered decreases.

Risk-based workplanning process

13. The Committee held extensive discussions with OIOS on their risk-based audit workplanning process to ascertain how the Internal Audit Division takes organizational risk into account in determining the level of resources required to deliver the programme of work. The Committee continues to believe that using risk assessments to prioritize and allocate audit resources is a best practice, which the Committee supported in its previous reports on the budget for OIOS. On that note, OIOS informed the Committee that a three-year rolling workplan was developed, using the same risk-based

approach that was used for the 2013 and 2014 workplanning. According to OIOS, the process involved validating and updating the previous years' audit universe and updating the risk universe for all client entities, covering programmes, functions, structures, processes, initiatives and information technology systems.

14. The Office of Internal Oversight Services further informed the Committee that a risk-ranked audit universe of auditable activities had been developed, taking into account the impact and likelihood of risks; the controls that exist to mitigate risks; previous oversight activities; the results of ongoing interactions/consultations within OIOS and with the Board of Auditors and the Joint Inspection Unit; and other priorities. According to OIOS, management requests for audits were also taken into account. OIOS identified thematic audits in several areas, including the following: Umoja implementation, the management of extrabudgetary funded operations, the management of subprogrammes in regional commissions and the effectiveness of procurement oversight bodies within the Office of the United Nations High Commissioner for Refugees. On the basis of the risk assessment, OIOS indicated that the Internal Audit Division planned to perform 100 regular budget audit assignments, of which 17 would be thematic, as well as 124 extrabudgetary assignments, 13 of which would be thematic.

15. Recalling paragraph 15 of General Assembly resolution 69/249, in which the Assembly requested the Secretary-General to take measures to address deficiencies as regards control and fraud prevention, the Committee enquired as to how the current workplan of OIOS had taken into account the recent findings of the Board of Auditors, especially in relation to fraud and internal control. In response, OIOS informed the Committee that it agreed with the concerns identified by the Board of Auditors and that the Internal Audit Division had been working closely with the Investigations Division in ensuring that findings, especially those pertaining to fraud, are properly investigated. Furthermore, OIOS highlighted a need for additional data analysis capability, particularly in the context of the Organization implementing Umoja.

16. **The Committee believes that combating fraud, especially by implementing partners, an issue raised by OIOS through its Nairobi-based investigation unit operating in Somalia last year (see A/69/308 (Part I), para. 44), is of critical importance and should feature prominently in the workplan of the Office. The Committee expects to discuss this matter further in its annual report.**

Capacity gap assessment

17. The Office of Internal Oversight Services informed the Committee that, in order to identify the resource gaps, the Internal Audit Division had compared the available audit resources by funding type against the number of planned assignments per year based on the Division's standard audit criteria of covering 50 per cent of all high-risk areas and 20 per cent of all medium-risk areas. As a result of that analysis, OIOS indicated that it had insufficient resources to conduct information and communications technology audits of activities funded under the regular budget across the Secretariat. There were also resource gaps as regards covering activities funded under extrabudgetary resources in the following entities: the United Nations Human Settlements Programme, the United Nations Office on Drugs and Crime, the United Nations Institute for Training and Research, the United Nations University, the Joint Staff Pension Fund and UNHCR.

18. Accordingly, OIOS informed the Committee that it had proposed two information and communications technology auditor posts at the P-4 level under the regular budget as part of its proposal for the biennium 2016-2017, but the proposal was not endorsed by the Secretary-General, in line with the request made by the General Assembly in paragraph 12 of its resolution 69/264. According to OIOS, the impact of the non-endorsement will be that the Internal Audit Division will not be able to fully undertake the information and communications technology audits called for by the Division's risk-based workplanning process. The Division will aim to mitigate the gap by gradually redeploying some staff resources to information and communications technology work and recruiting some auditors with higher levels of experience and qualifications in that subject area. Upon further discussion with the Controller, the Committee was informed that the capacity gap in the regular budget could partially be addressed through funds OIOS had requested for subject matter experts in Systems, Applications and Products in Data Processing (SAP), who would facilitate audits of Umoja, post-implementation. The expertise of such consultants would be secured externally, as needed, rather than establishing the expertise in-house.

19. With respect to capacity gaps arising from insufficient extrabudgetary resources, OIOS had secured resources for one additional P-3 auditor post from the extrabudgetary resources of the Office for the Coordination of Humanitarian Affairs and three additional P-3 auditor posts from the resources of UNHCR. OIOS had also requested one additional post from the Pension Fund to audit the information and communications technology aspects of the Fund's work. OIOS informed the Committee that discussions were ongoing with the United Nations University to provide resources for audit coverage.

20. **The Committee acknowledges the effort of the Internal Audit Division to undertake a risk-based workplanning process. The Committee notes that the requested posts were not endorsed by the Secretary-General. On the other hand, the Committee also notes that the Secretary-General has supported the request for funds for hiring subject matter expert consultants in Systems, Applications and Products in Data Processing. In order to ensure that critical aspects of its workplan are not adversely affected, the Committee recommends that OIOS continue to refine its risk assessment and prioritize its workplan so as to ensure that high-risk areas, such as information and communications technology, are adequately covered. On that note, the Committee endorses the resource requirements for the Internal Audit Division, as presented.**

Subprogramme 2
Inspection and evaluation

21. The proposed programme budget for subprogramme 2, Inspection and evaluation, amounts to $7,794,900 (before recosting), representing a net decrease of $268,400, or 3.3 per cent, compared with the appropriation of $8,063,300 for the biennium 2014-2015. The Committee was informed that the reduction in the budget was mainly attributable to the removal of the non-recurrent provision for general temporary assistance to cover the transitional costs of the D-1 post that was abolished in the budget for 2014-2015. The Committee was further informed that the Inspection and Evaluation Division planned to maintain the same staffing levels (22 posts) for the biennium 2016-2017.

Workplan implementation

22. The Committee was informed that, of the 11 assignments planned for completion in 2014, 10 had been completed on or close to schedule. At the same time, more than half of the assignments for 2015 have been completed on schedule. **The Committee notes the effort that OIOS has put into the timely completion of the regular budget evaluation assignments. Timely completion of evaluations is important to ensure that decision makers and stakeholders have access to key programme results information when they need it. The Committee has previously expressed its concerns regarding delays in completing peacekeeping evaluations.**

Risk assessment and capacity gap analysis

23. The Committee was informed that the Inspection and Evaluation Division continued to refine its risk assessment approach, utilizing a combination of risk information from the Internal Audit Division and an assessment of entities' monitoring and evaluation capacity and of the budget allocated to those entities. The assessment also included an analysis of the priorities set by the General Assembly, the Secretary-General and the United Nations System Chief Executives Board for Coordination for the identification of thematic topics. Based on the risk assessment by the Internal Audit Division, OIOS indicated that the Inspection and Evaluation Division is focusing on the areas with the highest aggregate risk in terms of governance, strategy and programme and project management.

24. With respect to the capacity gap, the Committee was informed that the budget proposal for the Inspection and Evaluation Division provides for resources to conduct 10 evaluation assignments every biennium, one of which is the mandated thematic evaluation. The assignments will come from the following entities: UNHCR, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the Department of Political Affairs, the Economic and Social Commission for Western Asia, the Economic Commission for Europe, the Office of the United Nations High Commissioner for Human Rights, the Office for the Coordination of Humanitarian Affairs and substantive components of the Executive Office of the Secretary-General. OIOS further indicated that, given the high-risk ranking of UNHCR, OIOS proposes to subject it to more regular, annual evaluations. OIOS was exploring, in consultation with UNHCR, the establishment of a standing independent evaluation capacity, similar to what currently exists for peacekeeping activities.

25. According to OIOS, the inability to reduce the evaluation cycle from a periodicity of every 11-13 years to a frequency of every eight years, in line with the requirements of the General Assembly, continues to constitute one of the biggest aspects of the capacity gap. In spite of the gap, OIOS indicated to the Committee that it did not request additional resources, owing to the prevailing resource situation in the Secretariat. Instead, OIOS informed the Committee that it was exploring opportunities for cost recovery from extrabudgetary resources, especially with respect to UNHCR which, as noted in the figure that follows paragraph 17 of the Committee's report on the proposed programme budget for 2012-2013 (see A/66/85), was predominantly funded from extrabudgetary resources. OIOS also informed the Committee of possible strategies it was considering for addressing the capacity gap without requesting additional resources. Such strategies would, potentially, include using performance audits to evaluate the effectiveness and

efficiency of management, administrative and support functions. Such performance audits would be undertaken by the Internal Audit Division, using methodologies developed in collaboration with the Inspection and Evaluation Division to focus on the evaluation of substantive programmes. OIOS further informed the Committee that using such an approach could reduce the cycle for evaluating substantive programmes to five years (three years less than the mandated eight years). The Internal Audit Division would use existing resources to gradually incorporate performance audits into its work and reassess resource needs once the new methodology was fully in place. **On that note, the Committee reiterates its recommendation regarding revisiting the issue of funding, as contained in paragraph 18 of its report (A/66/85), and the subsequent recommendations on the funding arrangements of OIOS. The Committee intends to study the merits of the strategy further and will advise the General Assembly accordingly in the context of its annual report.**

26. **The Committee endorses the workplan and related budget for the Inspection and Evaluation Division, which call for the maintenance of the same level of resources as during the biennium 2014-2015.**

Subprogramme 3
Investigations

27. The proposed programme budget for subprogramme 3, Investigations, for the biennium 2016-2017 amounts to $10,868,000 (before recosting), representing a net decrease of $307,800, or 2.8 per cent, compared with the appropriation of $11,175,800 for the biennium 2014-2015. The net decrease in the overall resource requirement for the regular budget is attributed to the reduction in the number of posts requested, from 34 in 2014-2015, to 33 in the proposed budget for the biennium 2016-2017, in accordance with paragraph 12 of General Assembly resolution 69/264.

Workplan process

28. The Committee was informed that, on the basis of progress on the caseload progress for 2013-2014, the Division anticipates a similar, if not higher caseload for 2016-2017. According to OIOS, this is primarily attributable to the accelerating work on implementing partner investigations, combined with the effect that the new case management system will have in enabling the Investigations Division to perform more proactive investigations with a superior ability to conduct link analysis between cases, entities and individuals. OIOS further indicated that it expects that new cases will be addressed in a manner that is both more timely and more comprehensive, as a result of more rigorous and regular caseload reviews, which are primarily aimed at achieving greater efficiency in the handling of future investigations.

29. The Committee was further informed that in the biennium 2016-2017, the Investigations Division will benefit from current initiatives, namely:

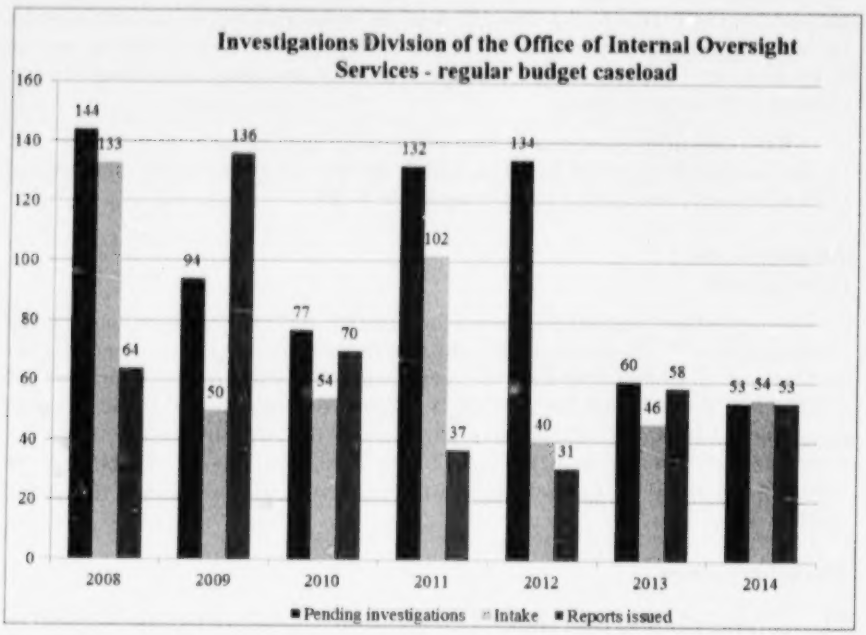
(a) Sustained attention to finalizing the investigation of cases pending for more than 12 months;

(b) Introduction of efficiency measures, such as streamlining the Division's report development process;

(c) Introduction of a new case management system, as noted in paragraph 28 above;

(d) Enhancement of the use of technical aids, such as audio recording, transcription and videoconferencing, whenever appropriate and necessary.

30. As an illustration of the progress achieved as a result of the new initiatives introduced in the Investigations Division, the Committee received an updated trend analysis, showing a significant drop in the number of cases pending investigation, from 134 cases in 2012 to 53 in 2014 (see the figure below).



31. **The Committee believes that the current initiatives, if successfully implemented, will form the basis of a more effective and efficient Investigations Division. The Committee strongly encourages OIOS to continue to closely manage the implementation of those initiatives. The Committee continues to believe that augmented effort is needed to bring down the average length of time for completing an investigation, from the current 14 months, as reported in the first quarter of 2015, to the target of 6 months. The Committee will review the matter and provide a further update in its annual report.**

Risk assessment and the capacity gap analysis

Capacity gap

32. The Office of Internal Oversight Services informed the Committee that it had proposed the establishment of two posts (Training Officers) at the P-4 level, under the regular budget, as part of its proposed programme budget for 2016-2017, but that the proposal had not been endorsed by the Secretary-General. On that note, the

Committee enquired as to how the non-endorsement of the posts would affect the workplan of the Investigations Division.

33. In response, OIOS informed the Committee that the requirement for training was in fulfilment of paragraph 10 of General Assembly resolution 59/287, in which the Assembly requested the Secretary-General to increase basic investigation training for the handling of minor forms of misconduct, to develop written procedures for the proper conduct of investigations and to promote the concept of an independent investigation function within the United Nations. According to OIOS, in the absence of such posts, providing investigative training to units outside of OIOS would require the use of investigators to provide the training, which would in turn reduce the resources available for conducting investigations.

34. The Committee sought comments from the Controller in this regard and was informed that the decision not to endorse the requirement was in line with General Assembly resolution 69/264. In addition, the Controller informed the Committee that, with regard to the consistently high vacancy rates in the Investigations Division, it was difficult to justify additional posts.

35. **The Committee notes the need to fulfil the mandate specified by the General Assembly regarding training. The Committee is also aware that there have been discussions between OIOS and management regarding the potential transfer of some of the investigations currently performed by management to OIOS, and that discussions in the context of strengthening the investigation function were still ongoing. In the light of the above, the Committee believes that decisions about augmenting the capacity of the Investigations Division to provide investigation training to other units should not be made in isolation, but rather in the context of broader decisions about the overall organization, roles and responsibilities concerning investigations across the Secretariat.**

Risk assessment

36. In paragraph 25 of its previous report, the Committee welcomed two initiatives that OIOS had established to improve its effectiveness, namely, an improved forensic unit to further assess risk-based matters and enhanced capacity in procurement fraud-related irregularities (see A/68/86). The Committee sought updates on the status of those two initiatives. With respect to the forensic unit, the Committee was informed that the digital forensic unit initially comprised three posts at the P-4 level and one at the P-3 level. The P-3 post would be abolished under the current budget submission. The Committee was informed that OIOS has determined that, rather than having a distinct unit supervised from New York, the capacity would be better utilized by changing the reporting lines of the three remaining P-4 posts (located in headquarters in New York, Vienna and Nairobi) to the Deputy Directors, whose investigations they primarily support. With respect to procurement fraud, the Committee was informed that the Proactive Risk Unit would enable the Investigations Division to perform more proactive procurement investigations.

37. **In the light of the ongoing implementation of Umoja and the wealth of valuable data it is expected to provide, and without prejudice to the expected service delivery model for the Secretariat, the Committee plans to discuss further the synergies that could be created by incorporating the new case management system into the proactive risk management process.**

38. The work of the Proactive Risk Unit notwithstanding, the Committee was informed that the activities of the Investigations Division continue to be driven largely by the reactive nature of its work and that it was a constant challenge to estimate the volume of matters that the Division would address during any given period. On that note, OIOS indicated that a five-year trend analysis was the basis for its estimates of the number of cases that the Division would handle. OIOS noted that the current five-year trend suggests an annual intake of 293 cases, of which 32 per cent would be investigated, with the remainder referred back to the relevant entities or closed without an investigation. For the biennium 2016-2017, therefore, the Committee was informed that OIOS would reduce the number of posts from 34 in the biennium 2014-2015 to 33 for 2016-2017.

39. **In the light of the above, taking into account that the proposed programme budget for investigations for 2016-2017 continues to be based on the five-year trend analysis of the intake rather than a combination that would include a risk-based workplan, as the Committee has long advocated, as well as the high vacancy rate, and without prejudice to the ongoing process to strengthen the investigation function in the Secretariat, the Committee cannot provide an overall assurance as to the adequacy of the proposed level of investigation resources.**

C. Programme support

40. The proposed budget for programme support for the biennium 2016-2017 amounts to $2,540,400 (before recosting). That amount represents a net decrease of $130,200, or 4.9 per cent, compared with the appropriation of $2,670,600 for the biennium 2014-2015. The reduction in the budget is mainly attributable to the abolishment of one post, which reduces the number of posts from eight to seven.

III. Conclusion

41. The members of the Independent Audit Advisory Committee respectfully present the present report, containing the Committee's comments and recommendations, for the consideration of the General Assembly.

(*Signed*) J. Christopher **Mihm**
Chair, Independent Audit Advisory Committee

(*Signed*) Patricia X. Arriagada **Villouta**
Vice-Chair, Independent Audit Advisory Committee

(*Signed*) Natalia A. **Bocharova**
Member, Independent Audit Advisory Committee

(*Signed*) Richard Quartei **Quartey**
Member, Independent Audit Advisory Committee

(*Signed*) Maria Gracia M. Pulido **Tan**
Member, Independent Audit Advisory Committee